



COMPTROLLER

UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1100

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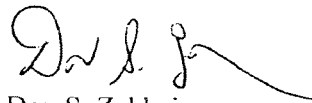
MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL
MANAGEMENT AND COMPTROLLER)
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Revised Obligation Policy for Unmatched Disbursements and Negative
Unliquidated Obligations

On January 19, 2001, the Department issued revised policy governing the obligation of unmatched disbursements (UMDs) and negative unliquidated obligations (NULOs) which was later incorporated into the Department of Defense Financial Management Regulation. Specifically, that policy required that the Defense Finance and Accounting Service (DFAS) record obligations for UMDs and NULOs when the DFAS holds an obligating document and the fund holder has failed to record the obligation within 180 days; or where the DFAS does not hold an obligating document and the fund holder has failed to record the obligation within the research time provided by DoD policy. After a year of experience, it has become clear that a more aggressive approach must be taken to reduce the number and amount of UMDs and NULOs within the Department's accounting and disbursing systems.

Beginning April 1, 2002, the current 180-day policy for researching and resolving disbursements when the entitlement office and the accounting office are not co-located is reduced to 120 days. The current 120-day policy for researching and resolving disbursements when the entitlement office and the accounting office are co-located is reduced to 90 days. In each case, the fund administrator is permitted 60 days to perform the necessary research and record the obligation.

My point of contact for this matter is Mr. Oscar G. Covell. He may be reached by e-mail: covello@osd.pentagon.mil or by telephone at (703) 697-6149.



Dov S. Zakheim